

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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To: County Auditors

**From: Budget Division
Department of Local Government Finance**

Re: Personal Property Abatement Update

Date: June 4, 2004

We would like to thank you for your ongoing efforts in helping us improve the abatement process and obtain missing information. We would also like to thank you for your attention at the Spring 2004 County Auditors' Conference on May 27, 2004. This memo serves as an abatement update and a recap of the information presented at the conference.

Processing Abatement Applications

The DLGF will be processing the final values for the 2004 pay 2005 abatement applications (Form 322 ERA/PPME and Form 322 ERA/PPR&DE). These applications must be complete prior to submitting to the DLGF. Please refer to the abatement checklist located on the DLGF website (www.in.gov/dlgef) under the Budget Division for additional information. The DLGF will not request missing information for the 2004 pay 2005 applications and will process these applications with the information on hand. If you requested missing information and did not receive a response to your request, attach a note to that affect and forward the information to the DLGF.

If you have not submitted the 2003 pay 2004 personal property abatement applications (Form 322 ERA/PPME and Form 322 ERA/PPR&DE) for your county to the DLGF, you MUST do so now.

Abatement Estimates

All abatement estimates are to be calculated at the county level. The DLGF will not supply estimated personal property abatement values for 2003 pay 2004 or 2004 pay 2005. A spreadsheet with instructions to assist you in calculating these figures is on the DLGF website (www.in.gov/dlgef) under the Budget Division.

Legislative Changes

House Bills 1005 and 1365 granted the ability to implement an abatement fee and two new categories of abatable equipment.

The power to grant an abatement fee was given to any designating body with the power to grant a personal property abatement. The fee can be attached to Statement of Benefits approved July 1, 2004 and after, only if mutually agreed upon by the property owner and the designating body. Please refer to IC 6-1.1-12.1-14 or House Enrolled Act 1365 for additional information.

The two additional categories of abatable equipment added were logistical distribution equipment and information technology equipment. The equipment must be installed after June 30, 2004 and before January 1, 2006 and located in Madison, Delaware, Grant, Huntington, Allen, or Wells counties.

Personal property abatement forms are being revised to accommodate these changes.

Auditor Training

The Budget Division will hold a second round of abatement workshops during the first two weeks of November 2004 at five sites around the State. Topics of discussion include the Business Tangible Personal Property Return (Form 103-Long), equipment lists/qualifying abatable equipment; a brief review of material covered at the prior workshop and the calculation of abatements for equipment installed 2001 pay 2002 and prior. The Budget Division will send a notice in the fall inviting you to a specific location.

Should you have questions regarding the information contained in this memo, please contact Pam Eustace at (317) 232-3758 or Deanne Ludwig at (317) 233-6835.